

**OPTION TO PURCHASE AGREEMENT**  
>> day of << >> 20<< >>

(PRICE TO BE DETERMINED) dated the <<

**Landlord:** <<Landlord's name>> [(company number << >>)]

**Tenant:** <<Tenant's name>> [(company number << >>)]

**Completion Date:** << >> working day after the Price is paid or (if later) << >> working days after the Price is paid

**Expert:** An member or fellow of the Institution of Chartered Surveyors with at least ten years' experience in matters similar to the Property

**Lease:** The lease dated << >> between <<Landlord's name>> and (2) <<Tenant's name>>

**Market Value:** The best price obtained from a willing buyer for the Property at the date of the Option disregarding the Lease and assuming the Property is in a good state of repair

**Option:** The right to require the Landlord to grant the whole of the Property to the Tenant on payment of the Option Fee

**Option Fee:** £<< >>

**Option Period:** From and including << >> until 5pm on << >>

**Price:** The greater of £<< >> or the Market Value or determined as the Market Value

**Property:** The freehold property shown on the plan attached to this Agreement registered with title number << >> known as:-  
<<Address>>  
<<Address>>  
<<Address>>

**1. Grant of Option**

- 1.1 In consideration of the sum of £<< >> paid by the Tenant to the Landlord (receipt of which the Landlord acknowledges) the Landlord grants the Option to the Tenant.
- 1.2 The Option is granted pursuant to this Agreement.
- 1.3 The Option may be exercised by the Tenant before the end of the Option Period.
- 1.4 The Option shall in any event cease to exist before the Lease is forfeited or otherwise terminates.
- 1.5 The grant of the Option shall be without charge or otherwise.

## 2. Exercise of Option

- 2.1 The Option is to be exercised by the Tenant by serving notice on the Landlord stating that the Tenant exercises the Option.
- 2.2 Once the Option is exercised, the Landlord and Tenant will be contractually bound to the sale and purchase of the Property at the Price on the Conditions (Second Edition) (Standard Commercial Property Conditions) (Second Edition) incorporated into the sale and purchase contract insofar as they are not inconsistent with the other provisions of this Agreement.
- 2.3 The conditions in Part 2 of the Standard Commercial Property Conditions (Second Edition) do not apply.

## 3. Price

- 3.1 If the Landlord and Tenant agree on the Price within << >> working days after the exercise of the Option, they will immediately agree on the Price.
- 3.2 If the Landlord and Tenant do not agree on the Market Value within << >> working days after the exercise of the Option, either party may refer the matter for determination to the Expert and will agree with the Expert the terms of the agreement.
- 3.3 The parties will agree on an Expert or the terms of the agreement after the date of exercise of the Option, either party may refer the matter for the time being of the Royal Institution of Chartered Surveyors to the Expert and to agree with the Expert the terms of the agreement.
- 3.4 If the Landlord and Tenant do not agree on an Expert or the terms of the agreement, either party may refer the matter for the time being of the Royal Institution of Chartered Surveyors to the Expert and to agree with the Expert the terms of the agreement.
- 3.5 The Expert must provide a decision to the parties within a period of << >> weeks of the matter being referred to the Expert.
- 3.6 The Landlord and Tenant will ensure that they provide the Expert with all necessary submissions to the Expert and assistance and documents as the Expert may require to reach a decision.
- 3.7 The Expert will act as an arbitrator and will determine the Market Value. The decision of the Expert will be final and binding on the parties save in the case of fraud.
- 3.8 Each party will bear its own costs in relation to the reference to the Expert. The Expert's fees and costs (including the fees and costs of any assistance provided by the Expert) will be paid by the parties equally or in such proportions as the Expert may direct.

## 4. Title

- 4.1 The Property is registered in the Land Registry with title number << >>.
- 4.2 The Property will be sold free of all charges save from the Lease and the incumbrances referred to in condition 3.1.2 of the Standard Commercial Property Conditions (Second Edition) and the incumbrances (if any) listed below:
- << >>
- 4.3 The Tenant is deemed to have acquired title prior to the date of this Agreement and made no claim about title after this Agreement is

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|-----|------------------------------|----------------------------------|
| 8.1 | Any sums payable (added tax. | Agreement are exclusive of value |
|-----|------------------------------|----------------------------------|

- 8.2 The Tenant shall pay the Tenant's share of the value added tax which is chargeable on any sums payable under this Agreement.
- 9. Miscellaneous**
- 9.1 The Landlord and the Tenant agree that no person who is not a party to this Agreement has no right or interest in the property by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 9.2 All notices given under this Agreement must be in writing and for the purpose of service the provisions of the Law of Property Act 1925 shall apply.

Signed by/on behalf of the Landlord .....

Signed by/on behalf of the Tenant .....

NOTE: Draft transfer to be annexed